

Accounting Procedures Manual IRS Form 1099-Miscellaneous Policy

It is the policy of the State of Arkansas to adhere to the rules and regulations as promulgated by the Internal Revenue Service within Publication 1220 as revised each Calendar Year. <http://www.irs.gov/pub/irs-pdf/i1099msc.pdf>

1099 MISCELLANEOUS FORMS are produced to satisfy Sections 6041 through 6050N of the Internal Revenue Code, which requires states and state agencies to file informational returns on reportable payment types of non-wage compensation paid to reportable payees.

IRS Form W-9 is the foundation for meeting the requirements of the Internal Revenue Service. An IRS Form W-9 must be provided to the Office of State Purchasing per their policy and procedures statement for all requested statewide vendor numbers. <http://www.accessarkansas.org/dfa/purchasing/index.html>

User and Service Bureau Agencies included within the Statewide Federal Tax Identification Number 71-0847443 are responsible for providing accurate information for vendors and vendor payments for those vendors who must be reported on IRS Form 1099-MISC to the Department of Finance and Administration, Office of Accounting. This includes reportable vendors and vendor payments, regardless of the book of record on which the information is maintained. Any penalties or assessments arising from inaccurate information provided by the agency will be charged back to the individual agency's records. The Department of Finance and Administration, Office of Accounting, is responsible for consolidation by payee tax identification number, printing, mailing and reporting of IRS Form 1099-MISC.

An updated informational 1099 package will be available on the website when the final rules are made available by the Internal Revenue Service for the upcoming Calendar Year.

<http://www.accessarkansas.org/dfa/accounting/index.html>

Additional detailed information for processing vendors/vendor payments may be found on the AASIS website. <http://aasis.state.ar.us/default.htm>

User and Service Bureau Agencies that operate Independent Programs with their own individually assigned tax identification number are responsible for all tasks necessary to report IRS Form 1099-MISC under that assigned program Tax Identification Number. Payments from these programs must use "one-time" vendor numbers to avoid duplication of statewide reporting.

Reporting Agencies cannot use the Statewide Federal Identification Number and are responsible to create and report IRS Form 1099-MISC under their own

assigned Tax Identification Number. Reporting Agencies may use statewide vendor numbers, but these payments and vendors will automatically be excluded from statewide reporting by agency.